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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 51-84

Dec. 19, 1984

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

NOTE: The Weekly Roundup of World Production and Trade will not be published on Dec. 26. It will resume January 3.

GRAIN AND FEED

SOUTH KOREAN feed millers and corn processors have purchased over 600,000 tons of CHINESE corn in the past six months, and purchases of non-U.S. origin feed grains are expected to continue in 1985, according to the U.S. agricultural counselor in Seoul. In most Korean tenders since June, Chinese corn was priced about \$6-\$13 below corn offered from the United States. The quality of the corn is reported as highly variable, even within one shipload, but the consensus of Korean importers is that it is generally satisfactory. In addition, Korea has stated its desire to diversify the source of its commodity imports, as evidenced by substantial purchases of Australian feed wheat and corn from Thailand and Vietnam.

An agreement between INDIA and the SOVIET UNION for the supply of 500,000 tons of wheat to be delivered in 1985 was signed this week as part of a trade protocol. The price and shipment schedule are not yet known, but it is known that the Soviet Union expressed an interest in buying much more than the agreed quantity. The U.S. agricultural counselor in New Delhi believes that additional sales are possible, but the Indian government was reluctant to increase the quantity until 1985 production prospects are better known. India's wheat exports in 1984/85 (July-June) are forecast at 1 million tons, but could exceed this level if additional sales take place.

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In ARGENTINA, nearly 2 million tons of wheat export registrations in the last few days bring total new crop wheat registrations by private exporters to 3.44 million tons. In addition, the Wheat Board, which does not register its sales, recently announced a 1-million-ton sale to Iran. Argentina reportedly has just completed a sale of 300,000 tons of wheat to China and 1.5 million tons to the Soviet Union. The sale to China is reportedly the first since 1983, while the Soviet sales will raise current marketing year wheat imports from Argentina to 2.8 million tons. Argentina is forecast to export a total of 6.8 million tons in July-June 1984/85.

DAIRY, LIVESTOCK AND POULTRY

NEW ZEALAND and IRAN have reached a lamb-for-oil barter agreement, worth \$300 million. The agreement calls for New Zealand to trade 100,000-130,000 tons of Halal slaughtered lamb to Iran for 6 million barrels of oil. Average lamb exports to Iran have exceeded 100,000 tons for the past three years. The current agreement comes despite stockpiles of EC beef, which are seen as a threat to New Zealand lamb markets.

TOBACCO

According to the JAPAN Tobacco and Salt Public Corporation, Japanese sales of cigarettes for October 1984 were down 1.3 percent over October 1983 to 25.5 billion pieces. For the January-October period, cigarette sales dropped less than 1 percent to 254.6 billion pieces. Domestic cigarettes, which represented 98 percent of sales were down 0.3 percent. The volume of imported cigarettes increased 16.8 percent to 5.13 billion pieces, representing 2 percent of the market. U.S. cigarettes accounted for 97 percent of these imports.

WOOD AND WOOD PRODUCTS

During the last week of November, severe storms hit the FEDERAL REPUBLIC OF GERMANY, causing considerable forest damage. Conifers were particularly hard hit. Industry estimates place the volume of broken and uprooted trees at more than 8 million cubic meters (CUM), approximately 30 percent of the annual German harvest. (The 1984 harvest is estimated at 28 million CUM.) However, foresters do not anticipate any market disruption since the damage occurred near the beginning of the 1985 forest year (October-September), and an adjustment in the projected annual cut could easily bring the market back into balance.

Selected International Prices

Item	:	Dec. 18, 1984	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.9/		190.50	5.18	+1.00		199.50
U.S. No. 2 DNS/NS: 14%....		181.50	4.94	+1.50		192.25
U.S. No. 2 S.R.W.		157.00	4.27	-3.00		159.25
U.S. No. 3 H.A.D.....		202.00	5.50	0		208.00
Canadian No. 1 A: Durum.9/		207.50	5.65	-.50		211.00
Feed grains:						
U.S. No. 3 Yellow Corn....		129.00	3.27	-2.00		155.00
Soybeans and meal:						
U.S. No. 2 Yellow.....		241.50	6.57	-1.00		310.50
Brazil 47/48% SoyaPellets 4/		181.50	--	+1.50		278.00
U.S. 44% Soybean Meal....		164.00	--	-1.00		252.00
U.S. FARM PRICES 3/						
Wheat.....		123.08	3.35	-.73		127.86
Barley.....		73.49	1.60	-1.38		86.81
Corn.....		97.64	2.48	-1.57		122.44
Sorghum.....		90.39	4.10 6/	-1.10		109.57
Broilers 4/.....		1093.70	--	+30.86		1242.07
EC IMPORT LEVIES						
Wheat 5/.....		47.65	1.30	+.60		67.50
Barley.....		53.65	1.17	+2.05		48.90
Corn.....		51.35	1.30	+.85		45.35
Sorghum.....		57.05	1.45	-1.30		58.85
Broilers 4/ 6/ 8/.....		159.00	--	0		198.00
EC INTERVENTION PRICES 7/						
Common wheat(feed quality)		140.45	3.83	-.30		166.35
Bread wheat (min. quality)7/		150.15	4.08	-.35		181.95
Barley and all						
other feed grains.....		140.95	--	-.30		166.35
Broilers 4/ 6/.....		1072.00	--	+8.00		1131.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.	--	--		36.00
Barley.....		28.20	.61	+.65		28.60
Broilers 4/ 6/ 8/.....		94.00	--	0		164.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ April-May. N.A.=None authorized. N.Q.=Not quoted. Note: Basis January delivery.

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